

LEBANESE POUND TREASURY BILLS SWAP OPERATION MODALITY OF EXECUTION

OCTOBER 18, 2004

1. **Eligible Bonds:** All Treasury Bills (3, 6, 12, and 24-month categories) maturing during the period October 21, 2004 – November 25, 2004.
2. **Holders:** the swap operation is open to all holders who wish to voluntarily participate in the operation.
3. **New Treasury Bills:** Existing holders will enter into a contract with the Ministry of Finance whereby they voluntarily agree to tender their existing T-Bills maturing on their original maturity date for new 6 and 12-month T-bills to be delivered to the holders on the maturity date of the original T-bills (denoted as settlement date).
4. **Buy-Back Premium:** Existing T-bills will be purchased from their original holders through a one-time buy-back cash premium over par as per the following arrangement:
 - a. LL 0.45 per LL 100.00 (or LL 45.00 per LL 10,000.00) for every new subscription to a T-bill with a maturity of 6 months,
 - b. LL 1.00 per LL 100.00 (or LL 100.00 per LL 10,000.00) for every new subscription to a T-bill with a maturity of 12 months.

Modality of Execution	
New 6-month	New 12-month
Premium	
LL 45 per LL10,000	LL 100 per LL10,000

Settlement Date	Maturity Date of New T-Bills	
21/10/2004	21/04/2005	20/10/2005
28/10/2004	28/04/2005	27/10/2005
04/11/2004	05/05/2005	03/11/2005
11/11/2004	12/05/2005	10/11/2005
18/11/2004	19/05/2005	17/11/2005
25/11/2004	26/05/2005	24/11/2005

5. **New Issue Yield:** The newly issued 6 and 12-month T-Bills are to be issued at the currently existing primary market rates.